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ABSTRACT

Cooperation between the public and the independent colleges and universities in the State of Indiana has become a tradition since 1945 when the Indiana Conference on Higher Education was formed. Now the independent institutions in the State, like independent institutions throughout the U.S., are facing a critical financial and enrollment situation. The Independent Colleges and Universities of Indiana made several recommendations, to alleviate this condition including: (1) the establishment of an Indiana Coordinating Council for Higher Education to determine that all of the educational resources of the State would be taken full advantage of and that costs would stay at a minimum; (2) a substantial increase of the existing State scholarship program available to all students in the State in need of assistance; (3) the creation of contractual arrangements between the State and the independent institutions for the education of Indiana residents; and (4) emphasis placed on freedom of all higher education institutions in Indiana to determine their own educational philosophy so individuals can find those programs most consistent with their backgrounds, capacities, and interests. (HS)

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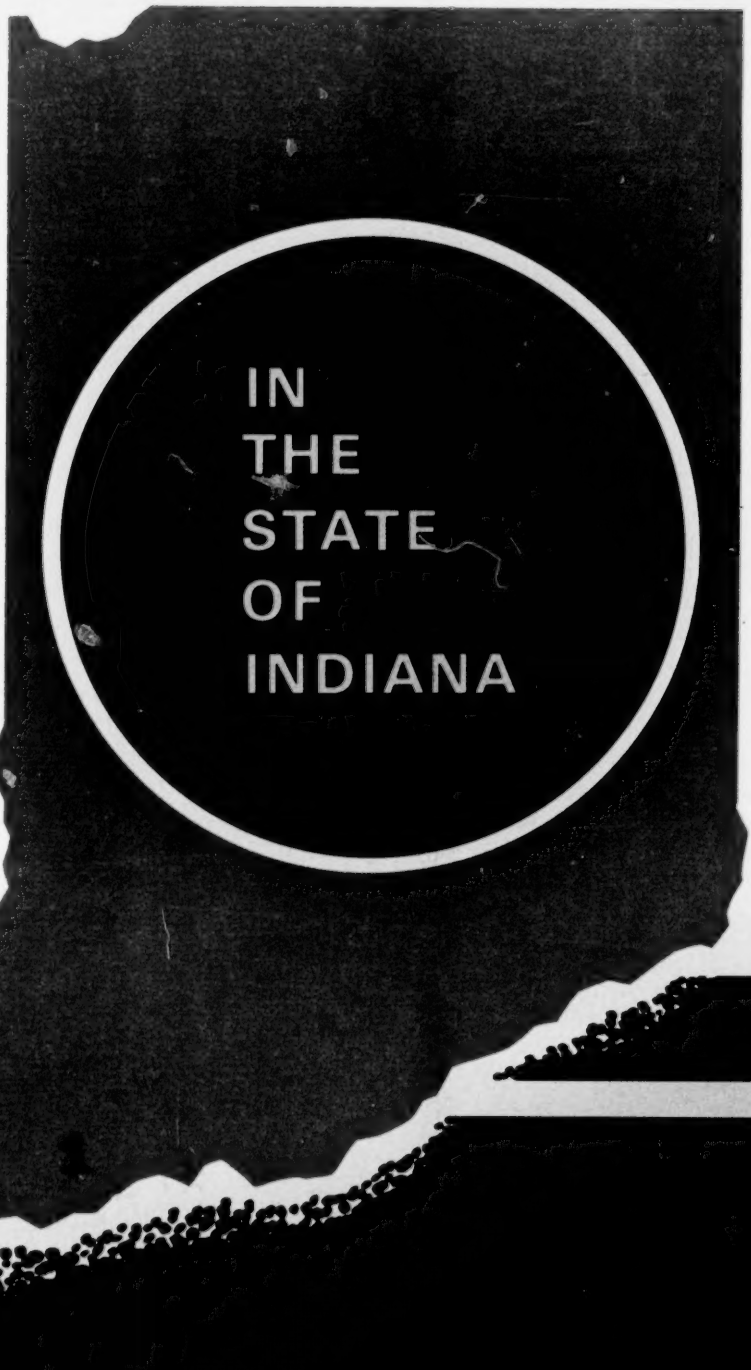
STRENGTHENING INDEPENDENT *Higher Education*



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INDEPENDENT COLLEGES AND UNIVERSITIES

OF

INDIANA

STRENGTHENING INDEPENDENT HIGHER EDUCATION

IN THE STATE OF INDIANA

A Report to the

Governor's Commission on Higher Education

State House, Indianapolis, Indiana

Prepared by the

Independent Colleges and Universities of Indiana

Greencastle, Ind.

June 1970

INDEPENDENT COLLEGES AND UNIVERSITIES
OF INDIANA

June 1, 1970

Dr. I. Lynd Esch
Chairman
Governor's Commission on Higher Education
State House
Indianapolis, Indiana

Dear Dr. Esch:

On behalf of the thirty-one member institutions of the Independent Colleges and Universities of Indiana, I am pleased to submit herewith the report which your Commission requested, entitled: "Strengthening Independent Higher Education in the State of Indiana."

Indiana is fortunate in its higher education structure, combining as it does an outstanding group of both public and private institutions. Investment in higher education is one of the soundest investments in the future of the State that can be made, assuring as it does cultural, technological and industrial leadership for the years ahead. The people of Indiana have had a notable record in their support of both the public and private institutions of higher education.

The opportunities offered by the dual system of higher education in the State are seriously threatened by the financial plight of the independent colleges and universities. This problem, which has now reached critical proportions, cannot be solved by traditional means such as increased tuition, increased private gifts and grants or improved efficiency. New sources of financial support for the private institutions must be found, and the cooperative efforts between the public and private sectors strengthened. Recommendations concerning these matters are contained in the report which follows.

Yours very truly,

John A. Logan
President (1969-70)
Independent Colleges and Universities of Indiana

Norman Knights, Secretary

R. T. Willets, Coordinator

Executive Committee:
Wallace Graves
John McGrath
Richard Bateman
Landrum Bolling

RECOMMENDATIONS

The Independent Colleges and Universities of Indiana make the following recommendations:

In order to take full advantage of all of the educational resources in the State of Indiana, to control the rising cost of education, to avoid unnecessary duplication, and to provide for a more logical growth in the future we recommend THE ESTABLISHMENT OF AN INDIANA COORDINATING COUNCIL FOR HIGHER EDUCATION.

Every prospective college student in Indiana, regardless of his financial need, should have the opportunity of attending the institution of his choice. To make this possible we recommend that THE EXISTING STATE SCHOLARSHIP PROGRAM SHOULD BE SUBSTANTIALLY INCREASED:

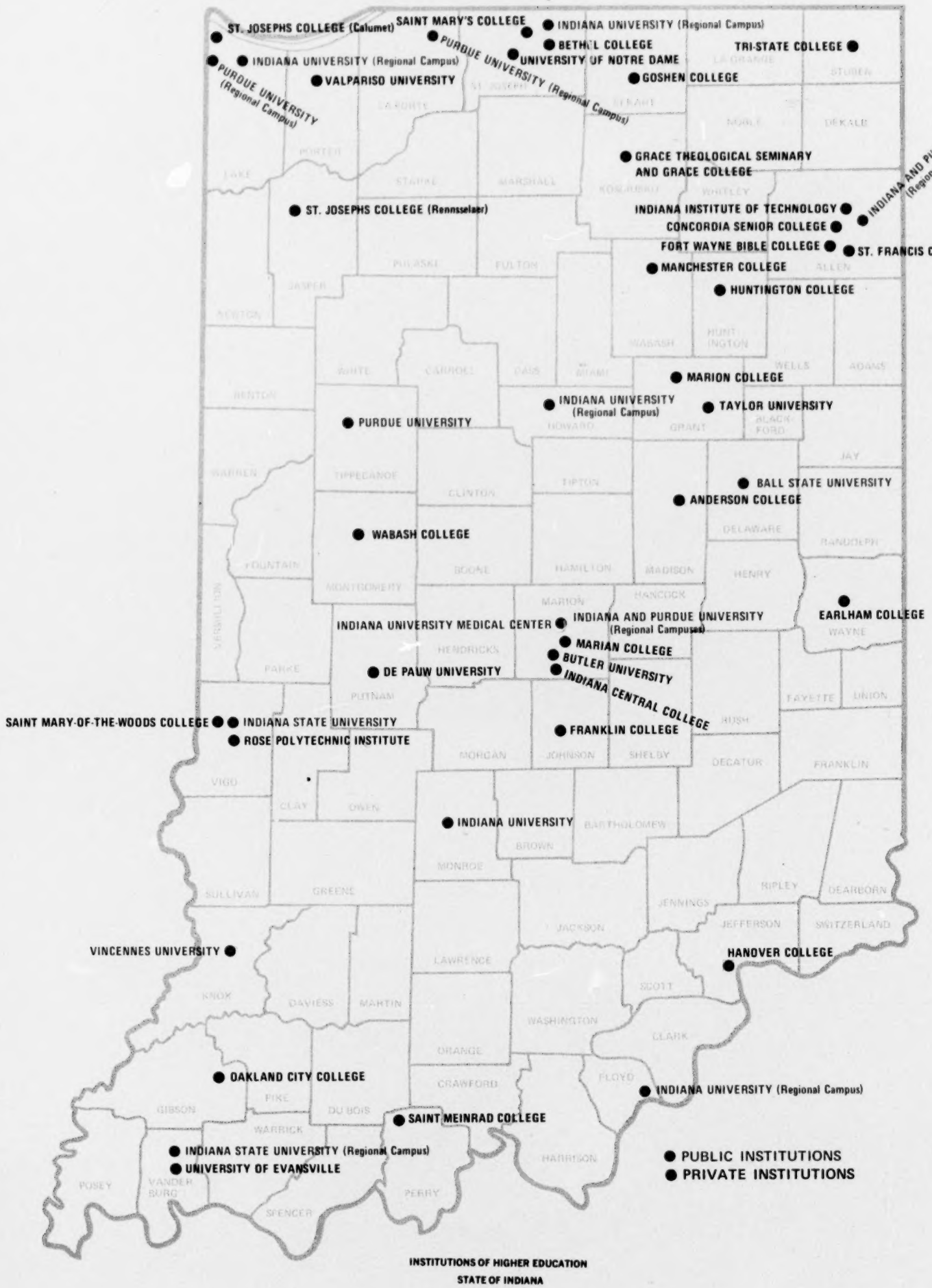
A. TO PROVIDE A MAXIMUM STIPEND TO THE INDIVIDUAL STUDENT EQUAL TO NOT MORE THAN THE TUITION OF THE COLLEGE OF HIS CHOICE.

B. TO MAKE SUCH SCHOLARSHIPS AVAILABLE TO ALL INDIANA RESIDENTS ADMISSIBLE TO ACCREDITED COLLEGES AND UNIVERSITIES WITHIN THE STATE BASED ONLY UPON FINANCIAL NEED.

To the extent that the independent institutions provide education for Indiana residents, they are providing a public service to the people of the State. It is in the public interest to insure the continuation and strengthening of this effort. To accomplish this we recommend that THE STATE OF

INDIANA UNDERTAKE CONTRACTUAL ARRANGEMENTS WITH THE INDEPENDENT INSTITUTIONS FOR THE EDUCATION OF INDIANA RESIDENTS.

It is imperative that the widest possible choice be made available to students in order that the individual may seek out those programs most consistent with his background, capacity and interest. We, therefore, recommend that EMPHASIS BE PLACED ON THE FREEDOM OF ALL INSTITUTIONS OF HIGHER EDUCATION IN INDIANA TO SELECT THEIR OWN EDUCATIONAL PHILOSOPHY.



INSTITUTIONS OF HIGHER EDUCATION
STATE OF INDIANA

FOREWORD

Cooperation between the public and the independent colleges and universities in the State of Indiana has traditionally been the best of any state in the Union; this cooperation was formally initiated through the formation of the Indiana Conference on Higher Education in 1945 and has continued uninterruptedly since that time. The rising costs of higher education in recent years and increasing competition between the State and the independent institutions has, however, made it increasingly difficult for the independent sector to continue to play its traditional role in the State, and has in turn led to the present study --- "To review the problem of how the non-public institutions could most appropriately be related to the public ones without imperiling their freedom, in such a way as to preserve and enhance the diversity of educational opportunities open to the young men and women of Indiana, assuring the freedom of choice of the institutions which they wish to attend."

The thirty-one colleges and universities which make up the organized independent group (ICUI) represent a wide diversity of educational opportunities. Over a period of almost 150 years they have provided an unusually high percentage of the men and women in Indiana who have become leaders in the fields of teaching, law, business, industry, religion, medicine and engineering. Today they not only enroll approximately one-third (50,000) of the full-time undergraduate students

attending all of the higher educational institutions in the State, but have a high rate of productivity in the production of degrees.

The independent institutions have been built and operated almost exclusively by private funds; they represent an investment in higher education in Indiana of more than a half-billion dollars. Tuition charges, averaging about $1,350 per academic year, cover approximately two-thirds of operating costs; the remainder is provided from voluntary gifts and grants and from the return on endowment.

Independent institutions in Indiana (as they do throughout the nation) now face a financial crisis. Impending problems threaten the solvency, quality, vitality and even the survival of some of these colleges. At present enrollment levels the cost of operation of both public and independent schools is increasing at about 10% per year. While an obvious answer to this dilemma is to increase tuition charges, unless the public institutions agree to this, there will be a growing disparity between the cost of attending public and private schools and more of the burden of funding the cost of higher education will be forced on the State.

High tuition charges have already forced many students who would have attended independent institutions to select a State university and this trend is accelerating; while there are an increasing number of openings for students in independent institutions, the State must continue to provide additional facilities at State universities and also a subsidy of about

$1500-$2000 per year for each student enrolled.* Should the Indiana undergraduate students now enrolled in the independent colleges have to be taken over by the State system, it would represent an additional annual operating cost to the State in the range of $100,000,000.

Those students who have the financial resources to pay ought to do so. There are far too many students and prospective students in the State lacking financial means to continue the spending of State funds for the education of those who can afford it. The practical implementation of this concept will require that a large proportion of the general educational and operating cost of the State institutions be borne by tuition thereby reducing the amount of State subsidy required.

An important part of the problem facing the independent institutions is the necessity of attracting students from the most needy segment of society; many of these colleges traditionally cater to the lowest income groups in the State. Making college possible for this group requires substantial assistance in the form of scholarships, loans and work-study programs; the necessity for this places a severe strain on all of the institutions in the independent sector.

In order to survive, the non-public institutions will have to become financially more competitive with the State-supported universities. The number of students entering college

*As reported by the Office of the Director of the Budget, Indianapolis, Indiana

is going to increase substantially over the next twenty-five years. (A 100% increase in Indiana by 1985). In the meantime, available space in the private colleges is being utilized at about eighty-six per cent of capacity. The independent institutions could immediately accommodate 8,000 additional Indiana students with existing facilities; this number could be increased to 12,000 if priority was given to Indiana residents. It could be substantially increased in the years ahead with augmented facilities.

The unused resources of the independent institutions available for the higher education of Indiana residents are equal in every respect to those of a 12,000-student university. The capital cost of the construction of such a university would be about 150 million dollars, and the annual cost of operation is estimated to be at least 25 million dollars. It would, therefore, seem unwise for the people of the State of Indiana to neglect the used and unused educational resources in the independent institutions of the State; ways and means should be found by which these facilities can be preserved and strengthened for future generations of Indiana students.

New sources of income to support the independent institutions must be found. It is clear that traditional sources such as tuition, private gifts and grants, and endowment income cannot provide these funds. Increases in tuition charges have already forced many students away from the private institutions. Recent changes in tax laws and the philosophies of major donors have tended to slow the rate of private giving.

Income from endowment investment tends to remain relatively constant and therefore contributes an ever-decreasing proportion of the cost of operation.

The recommendations contained on the first page of this report, and more completely discussed under CONCLUSIONS AND RECOMMENDATIONS will, we believe, make a major contribution to the education of the youth of Indiana, while at the same time alleviating the critical financial situation of the independent institutions. We believe that the implementation of these recommendations will materially contribute to the interrelationships between the public and the independent institutions. They will enhance the spirit of cooperation between all institutions of higher education in the State in their efforts to preserve and improve the diversity of educational opportunity for the young men and women of Indiana. We believe that the application of these recommendations will continue to protect institutional freedom, both public and private, and that they will contribute to the freedom of choice offered to the student.

Thanks are extended to the Independent Colleges and Universities of Indiana for their help in making this study possible and to the Bureau of the Budget of the State for its financial assistance and cooperation. Extensive use has been made of the publications of the INDIANA HIGHER EDUCATIONAL FACILITIES COMPREHENSIVE PLANNING STUDY; we also wish to acknowledge our indebtedness to studies on the financing of independent higher education made by the States of Illinois,

New York, California, Texas, Pennsylvania and Massachusetts.

This report has been reviewed by Dr. Chester M. Alter, Chancellor Emeritus, University of Denver (representing the Academy for Educational Development), who has provided substantial advice and assistance.

STRENGTHENING INDEPENDENT HIGHER EDUCATION IN INDIANA

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HIGHER EDUCATION IN INDIANA*

The earliest manifestation of public concern for higher education in Indiana may be said to date from 1806, when the territorial Legislature authorized the incorporation of a university in Vincennes, to be financed by the proceeds from a township of land set aside for that purpose by Congress two years before and by a $20,000 lottery. Under that charter a Presbyterian minister opened a small school in 1810 in the territorial capital which eventually developed into the privately-controlled Vincennes University. With the coming of statehood in 1816, the first Indiana constitution enjoined the General Assembly to provide for a general system of public education capped by a state university. Accordingly, in 1820 the Legislature chartered a state seminary in Bloomington which opened four years later, becoming Indiana College in 1828 and granting its first degree in 1831. Although its name was changed to Indiana University in 1838, the institution attracted relatively few students and received little public financial support until after the Civil War. The new state constitution of 1850 made no provision for financing the university, and not until 1867 did the Legislature finally vote the first biennial appropriation for its operating expenses ($8,000, increased to $15,000 in 1873).

In the meantime, in accordance with the apparently general

*Prepared by Dr. Clifton Phillips, DePauw University

conviction among Hoosiers of that age that private enterprise should bear the chief burden of supporting higher education, a group of independent colleges under the sponsorship of religious denominations made an appearance in Indiana. Presbyterians founded Hanover and Wabash Colleges, while the Methodists organized several institutions, of which Indiana Asbury (later DePauw) University proved most durable. Franklin College came into existence under Baptist auspices, and Earlham College emerged from one of the Quaker academies of the period. The first Roman Catholic institution of higher learning in the State was Saint Mary-of-the-Woods College, founded in 1840 by members of the Congregation of the Sisters of Providence, followed by Notre Dame, founded in 1842 by members of the Congregation of the Holy Cross. Other denominational institutions founded in the pre-Civil War period which survive to the present are North Western Christian (later Butler) University, Concordia College, a Lutheran school, Saint Mary's College at South Bend, Evansville (created from the earlier Moores Hill) College, Taylor University and Marian College. The last decades of the Nineteenth and the first of the Twentieth Century also witnessed the foundation of non-sectarian Rose Polytechnic and denominationally affiliated Manchester, St. Joseph's, Huntington, Oakland City, Goshen, Indiana Central and Anderson. In order to meet the growing demand for elementary teachers in the State, moreover, nearly a score of small, private normal schools were founded between 1870 and 1900,

though only two of their number survived into the mid-Twentieth Century --- Tri-State College and Valparaiso University. The founding of these colleges and their perpetuation for well over a century testifies to the deeply-rooted belief of the citizens of Indiana in the validity of higher education and of the integrity and value of the private sector of the State's higher educational complex.

Despite the multiplication of independent institutions of higher education, after the Civil War three additional publicly-supported universities were created in Indiana. The first of these was the State Normal School which opened at Terre Haute in 1870 and in 1918 gave birth to a branch campus in Muncie which later became Ball State University, while its parent institution became Indiana State University. Purdue, Indiana's Federal land-grant university, opened its doors in 1874. Although no completely new state universities have been added, by 1970 all four of the existing institutions of higher education in Indiana were engaged in multi-campus operations in many of the State's cities.

For many years the independent colleges enrolled larger numbers of students than any of the publicly-supported institutions. Indeed, up through the first three decades of the Twentieth Century the total number of students enrolled in all privately-controlled colleges and universities exceeded, sometimes by a considerable margin, the total enrollment in the public sector. The Great Depression seems to have been the major factor in reversing the balance, for it

was in the 1930's that growth in enrollment at private colleges in Indiana began to decline relative to the enrollment at the state universities. During the decades which followed the Second World War, when enrollments in most colleges and universities expanded rapidly, the rising cost and, hence, increased tuition rates charged by private institutions were undoubtedly a chief factor in the increasingly disproportionate growth of the student population on the state campuses, a trend which continues virtually unabated to the present time.

The private colleges and universities in Indiana have generally enjoyed close, friendly relations with the publicly-controlled institutions of the State, in spite of the growing disparity in their size and resources. As early as 1876 there was formed the Indiana College Association, at whose annual conventions representatives of both types of institutions discussed mutual concerns; this organization was the basis for the Indiana Conference of Higher Education, the formal cooperative group representing public and independent higher education, established in 1945. The special problems of financing the private sector in the postwar world brought about the formation in 1948 of the Associated Colleges of Indiana, a group of fifteen independent institutions determined to conduct a more systematic drive for additional financial resources. This joint effort has since proven to be able to furnish significant assistance to the member colleges, though it has not been successful in forestalling a sharp rise in

tuition charges in recent years. Also helpful have been the Federal and State scholarships which have become available to students enrolled in both private and public institutions, especially those granted by the State Scholarship Commission established in 1965 by the Indiana General Assembly. In general, the recent history of higher education in Indiana points clearly to the need for a continuing search for solutions to the problem of the financial viability of the private colleges and universities.

THE CASE FOR THE INDEPENDENT COLLEGES AND UNIVERSITIES

By

LANDRUM R. BOLLING

President, Earlham College

The independent, privately-supported colleges and universities of America continue to carry an important part of the responsibility for providing higher education in our day, despite the enormous growth of the tax-supported state universities, state colleges, and community colleges. This is also true of the more than thirty independent institutions of higher learning in Indiana. Historically, the independent colleges have generally pre-dated the tax-supported institutions and have acquired buildings, libraries, equipment and endowment funds from private sources over a long period of time. They have, from the beginning, performed a crucial public service but with little burden upon the public purse.

The maintenance of the independent and church-related colleges for the long future is going to require a considerable expansion of financial support from many sources. To secure that support it will be necessary for the general public to understand much more clearly than heretofore the case for the independent institutions. That case can be briefly and directly stated, both in general and for the State of Indiana:

First of all, the independent colleges and universities are going concerns, they are already in operation --- some

of them here in Indiana for more than a hundred years. To duplicate their facilities would cost hundreds of millions of dollars. To keep them going with some supplementary support will be infinitely less costly than to try to replace them --- either by expanding existing state institutions, or by building additional new ones. On the grounds of sheer hard-headed, sound public economy it is important to make the best possible use of, and to keep functioning, the independent educational institutions we already have.

Second, the accidents of history, if one can call them that, have scattered the independent institutions over the entire State --- placing a campus within easy commuting range of practically every high school graduate in the State. This is a great advantage and convenience. More than that, the wide dispersion of these campuses has brought great cultural advantages to many communities, adult education opportunities, training programs for industry, part-time study experiences for young people who need to go to work immediately after high school. The privately-supported colleges and universities have enormously enriched the public life and the private development opportunities of communities and people across the State.

Third, the privately-managed institutions introduce an element of competitive-free enterprise into the total system of higher education. They can help to provide comparisons in the operation of educational activities, give useful yardsticks by which the publicly-financed institutions can

measure some of their own programs, particularly in the crucial field of undergraduate education.

Fourth, the independent colleges and universities are invaluable experimental laboratories for higher education. In a sense they are a kind of Research and Development adjunct to the Big State Universities. They can, on a limited scale, try out new courses, new teaching methods, new equipment, innovative broad new programs from which the large institutions may learn useful lessons --- with minimal risk. Just as industry requires its Research and Development programs to survive and grow, so does higher education need to be protected against the inevitable tendencies toward stagnation. Higher education, to meet the needs of a changing society, requires a continuous infusion of new ideas, new and improved teaching methods. Much of this innovative educational research and development work today comes through the independent institutions.

Five, the relatively smaller size of most of the independent colleges makes it possible to keep an emphasis upon the total development of young people, going far beyond the traditional tasks of transferring information. This is a difficult and uncertain element in education. No institution does it with complete success. It is important to have in the total mix of higher education a number of institutions which give continuing emphasis to these basic issues of personality development and character growth, along with the acquisition of knowledge and skills, both for what they

accomplish with their own students and the reminders and the practical lessons they may provide for the larger institutions.

Finally, the independent institutions help greatly to provide freedom of choice in higher education, alternatives in programs and life styles. In a diverse, pluralistic society, such as we have in America, it is important for our total human freedom that our educational system not be a monolithic one, but have diversity of pattern, philosophy, content, and methodology. Ours is a stronger society for having this educational diversity.

RESOURCE INVENTORY

THE PRIVATE COLLEGES AND UNIVERSITIES OF INDIANA

(As of September 1969)

The resources of the independent colleges and universities of Indiana consist of personnel, including students; faculty and staff; land, buildings, furnishings and equipment; and endowments.

Student enrollments in the independent institutions are shown on Table I. Of the total enrollment for the academic year 1969-70, 47.4% are Indiana residents and the balance from all of the states of the nation and foreign countries. The out-of-state students provide an input of differing traditions and philosophies which tend to broaden and enrich the knowledge and understanding of our Indiana students. It

TABLE I

HEAD COUNT ENROLLMENT BY INSTRUCTIONAL LEVEL

(For Academic Year 1969-70)

LEVEL	INDIANA		OUT OF STATE		TOTAL
	NUMBER	PERCENT	NUMBER	PERCENT	
Graduate	3,925	78	1,135	22	5,060
Professional	248	29	601	71	849
Baccalaureate	18,754	43	24,512	57	43,266
Associate	211	56	168	44	379
Special	860	78	240	22	1,100
TOTAL	23,998	47	26,657	53	50,654

should also be noted that the 23,998 Indiana students enrolled in the independent institutions represent 19 per cent of all full-time Indiana students enrolled in Indiana institutions of higher education. There were 103,253 Indiana residents enrolled in the public universities of Indiana in the fall term of academic year 1969-70.*

The independent colleges and universities of Indiana had a student capacity of 58,680 at the beginning of academic year 1969-70. Of this, 50,652 spaces were filled, leaving about

TABLE II

DEGREES CONFERRED

(For Academic Year 1968-1969)

DEGREE	INDIANA		OUT OF STATE		TOTAL
	NUMBER	%	NUMBER	%	
Doctoral	15	15	82	85	97
Professional	30	16	155	84	185
Masters	934	59	636	41	1570
Baccalaureate	3445	39	5280	61	8725
Associate	59	93	4	7	63
TOTAL	4483	42	6157	58	10,640

Degrees Conferred During Academic

Year 1968-1969
By Independent Institutions

*As reported by The Indiana State Budget Agency

8,000 vacant student spaces that could have been used by Indiana residents had there been adequate financial provisions.

The impact of the independent institutions upon the State can be measured in some degree, at least, by the number of degrees conferred. These degrees, for the academic year 1968-69, are tabulated in Table II. They represent higher learning across the entire spectrum of the academic disciplines --- law, engineering, humanities, language, science and the social sciences.

The independent institutions provide annual employment for more than 8,000 people; of these nearly 3,000 are academic. These people bring to the State a wealth of intellectual, artistic and cultural human resources.

TABLE III

FACULTY AND SUPPORTING STAFF

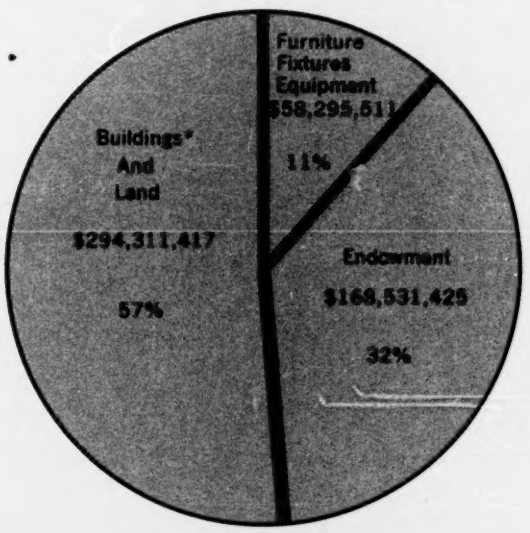
(Start of Academic Year 1969-1970)

Teaching Staff:	
Number with Doctoral Degrees	1353
Number with Masters Degrees	1402
Number with Baccalaureate Degrees	147
Total Academic Staff	2902
Administrative Staff	817
Clerical and Maintenance Staff	4335
Total Faculty & Supporting Staff	8054

The principal assets of the independent colleges and universities of Indiana are shown in Chart I. The total value of these assets, reported mostly at cost, is $521,138,353. The endowment component is represented by private gifts and grants that have been accumulated over the years. By and large the institutions may use only the income from these funds, some of which are restricted as to use and others unrestricted.

CHART I

PRINCIPAL ASSETS



Independent Colleges and Universities of Indiana.

*Includes $14,588,587 Work Under Construction

Included in the furniture, fixtures and equipment component are the libraries of the private institutions, which constitute an irreplaceable learning resource. The collection of books consists of over two and three-quarters million bound volumes

and requires a library staff of 300 to administer. This is a constantly expanding resource. The private institutions plan to add $1,800,000 in library facilities during the academic year 1969-70 and plan to have increased the number of bound volumes by three-quarters of a million by 1974-75 at a cost of about seven and a half million dollars.

In order to provide for increased enrollments and to modernize academic and student facilities, the independent colleges and universities have found it necessary to borrow considerable amounts of money. At the present time their long-term debt is $65,839,701. This represents 21.2% of the total book value of the buildings and land of these institutions.

College accounting procedures do not allow for depreciation or retained-earnings accounts, therefore, all repair and maintenance must be accounted for from current operating funds. Where critical shortages of funds exist, as is the case with many private institutions, repair and maintenance activities are the first to be neglected. The extent of this situation is shown in Table IV.

TABLE IV
DEFERRED MAINTENANCE

ITEM	TOTAL
Buildings	$15,253,507
Grounds	2,165,600
Utilities Systems	3,333,600
TOTAL	$20,752,707

Deferred Maintenance As Of The End Of Fiscal Year 1969

The total of twenty million dollars in deferred maintenance is the amount that would be required to bring the facilities of the private institutions to a condition such that day-to-day maintenance and operation costs would be minimal.

The resources of the independent colleges and universities of Indiana constitute an important contribution to higher education in terms of people, physical plant and money. These are assets that the people of the State can ill afford to lose. It is in the best interests of Indiana that these assets be conserved, that they be nurtured and encouraged to grow, and that they be coordinated with the total system of higher education in such a manner as to continue to strengthen their contribution to the people of the State.

ECONOMIC PROFILE

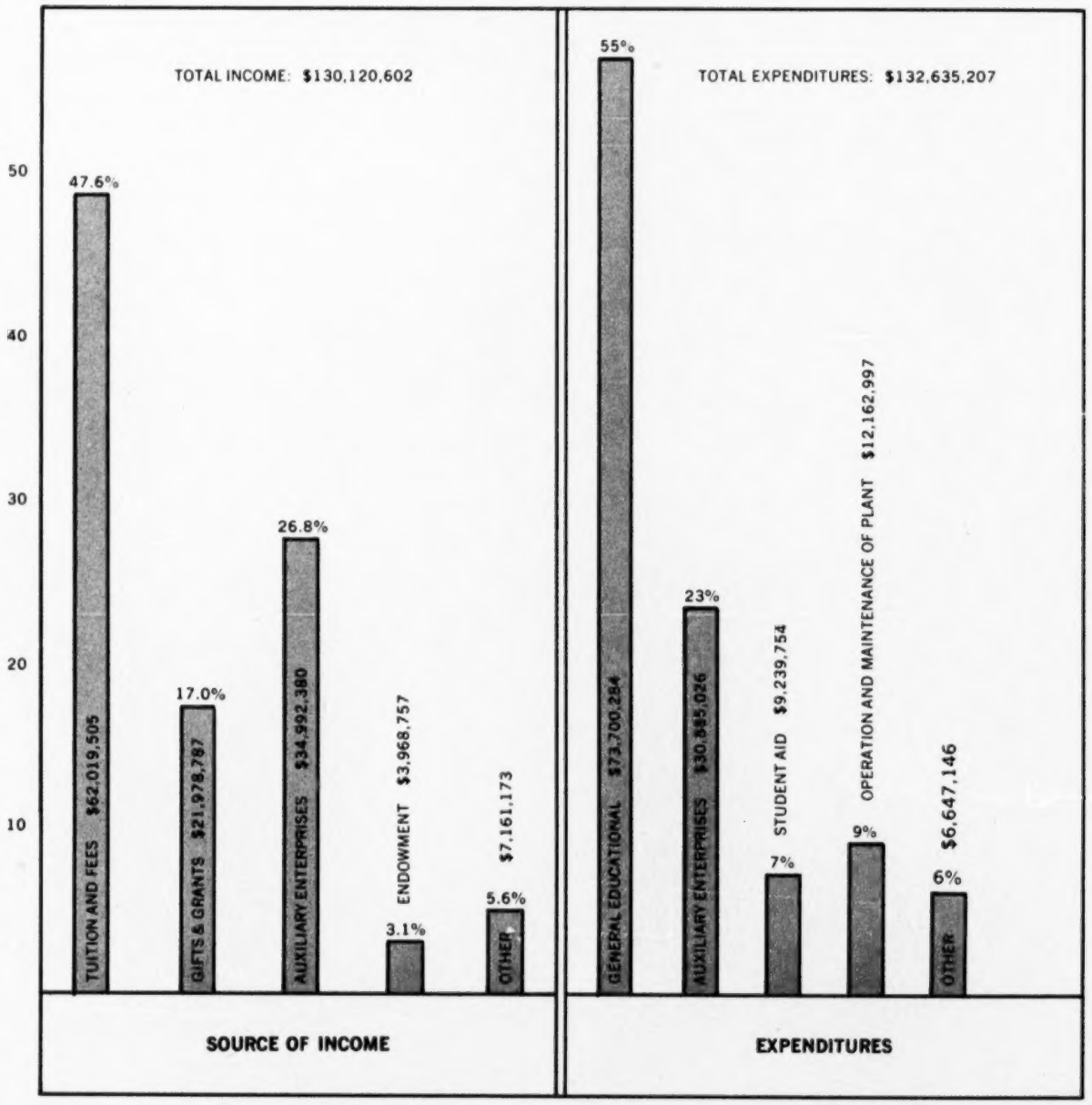
(As of September 1969)

The independent institutions of Indiana show signs of increasing financial difficulty. This situation threatens to limit their future contribution to educational opportunity in Indiana. It results from the fact that costs are rising more rapidly than income, thereby widening the gap between income and expenditures.

The financial operations of the independent institutions are on an annual basis. The income of any given fiscal year is applied to the expenses of that year; the net variance is, if positive, normally applied to plant repair, maintenance and capital expansion or added to endowment principle. When this net variance is negative, the institutions are forced to borrow funds either from private sources or by drawing from the principle of their endowment. Chart II shows the total income and expenditure of thirty independent institutions for 1968-69, including the source of income and the application of funds to current operating requirements. Seventeen reported slight surpluses, however, thirteen reported operating deficits.

CHART II

INCOME AND EXPENDITURES

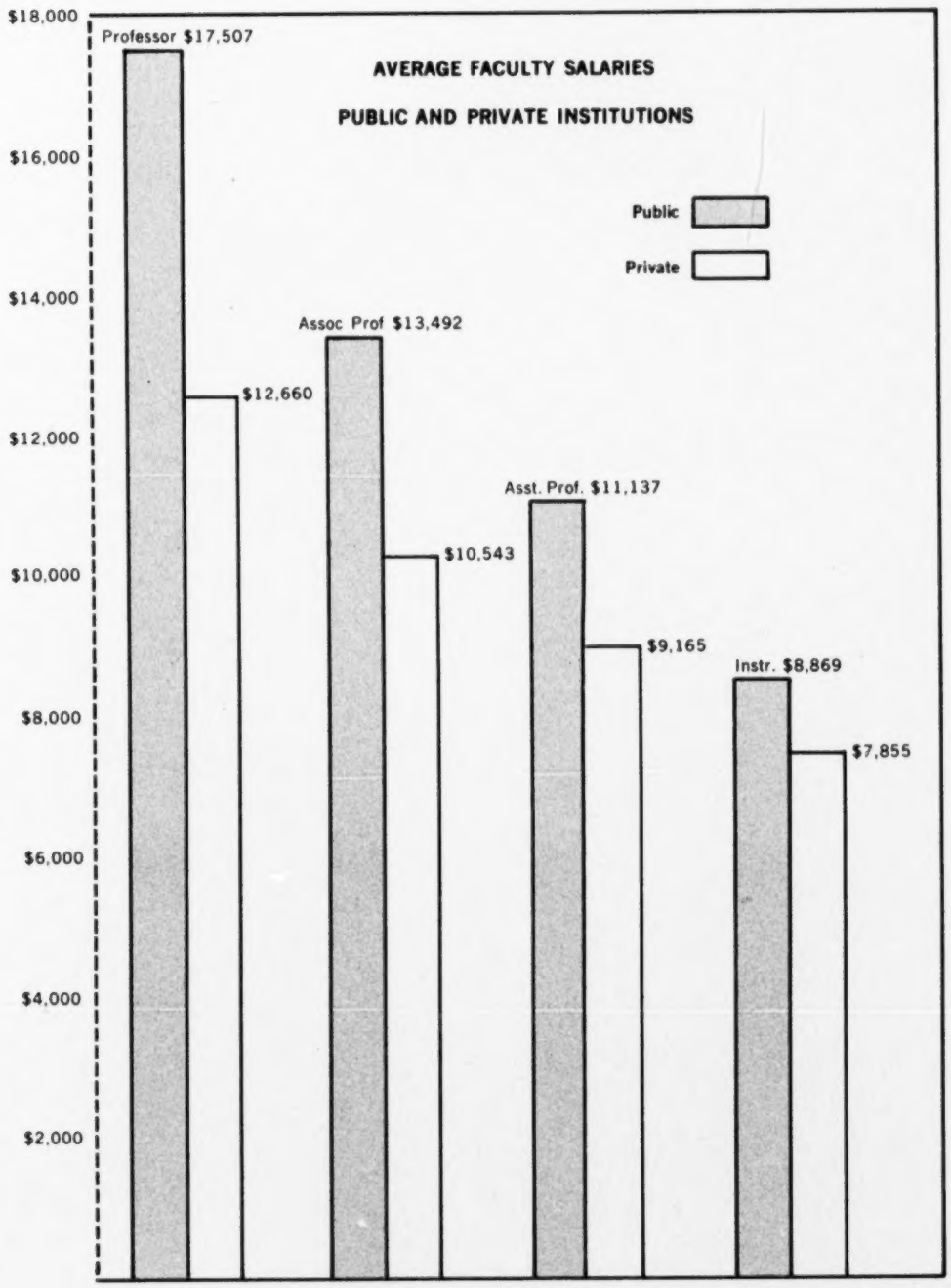


Income and Expenditures for Fiscal Year 1969 for 30 Independent College and Universities of Indiana

EXPENSES

The general educational component (education and administration) accounts for 55% of all expenditures. Most of the funds so allocated are for instructional and research purposes,

CHART III



Average Salaries are for Academic Year 1969/1970

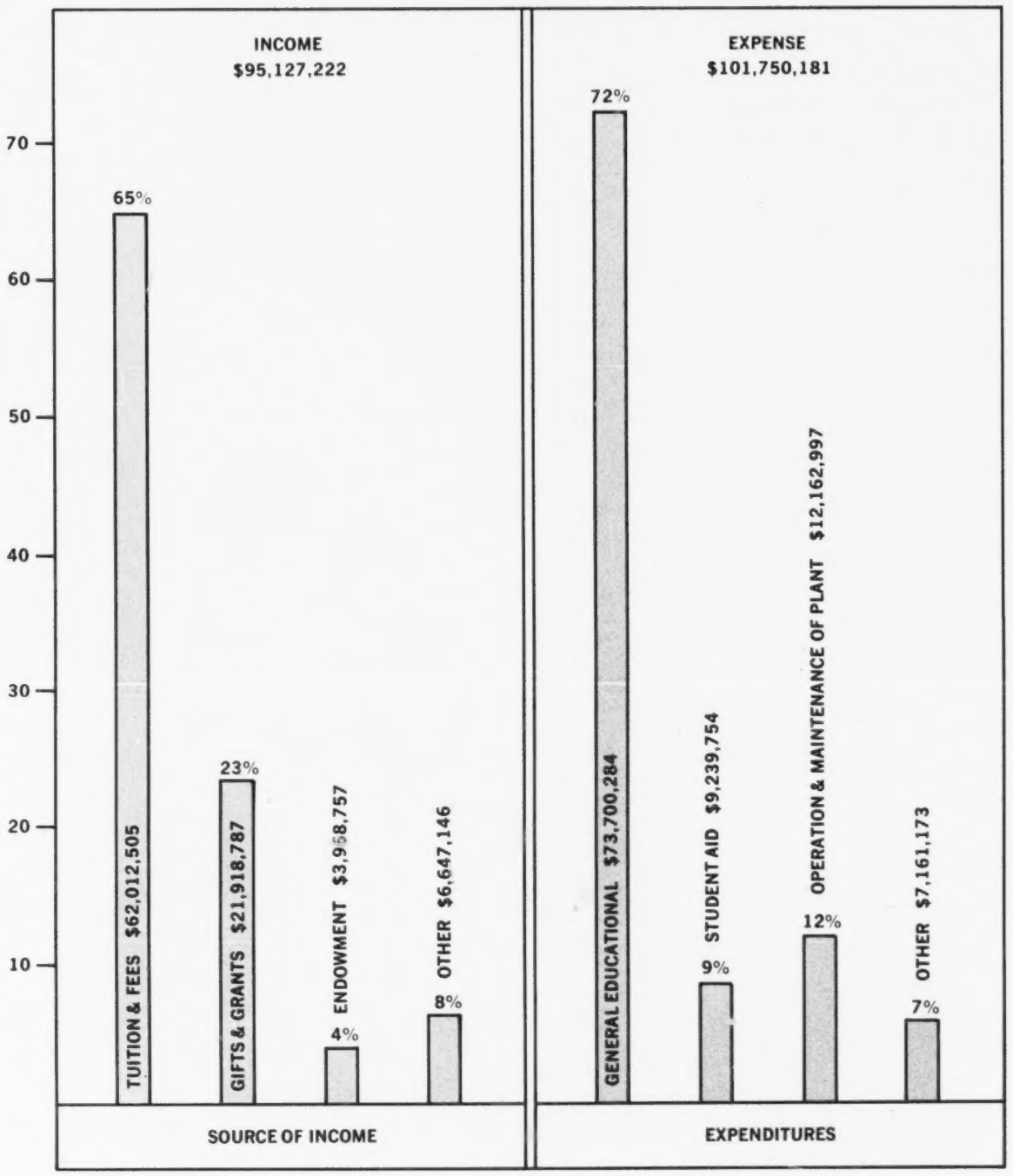
about one-half being for the salaries of the men and women who make up the faculties of the independent institutions. These salaries are lower, on average, than those of their peers in the public institutions (See Chart III). This makes it more difficult to recruit new faculty as the margin of economic inequality increases.

Auxiliary enterprises include all income and expenditures related to activities devoted to providing services for students, faculty and staff. They include such items as room, board, stores, recreation and athletic programs; separate fees are charged for these activities with the objective of breaking-even financially. Currently the independent institutions are operating these accounts at a small surplus. However, projections to academic year 1974-1975 indicate that income will not keep up with costs and that this activity will be operating at a deficit for that year.

When the costs of the auxiliary enterprises are eliminated from the income and expense statement, a clearer picture of the student's contribution to his educational cost can be seen. As shown on Chart IV the student in the independent college contributes about 65% of current income (exclusive of auxiliary enterprises) through tuition. This amounts to around 62 million dollars a year, which is about 62% of the total annual cost of operations of 102 million dollars. Gifts, grants, endowment and other income make up about 31% of the balance of the operational costs, leaving a deficit of about 7% of costs.

CHART IV
INCOME AND EXPENSES
EXCLUSIVE of AUXILIARY ENTERPRISES

INCOME AND EXPENDITURES



Student aid provided by the independent institutions accounts for a modest 7% of all expenditures. However, as charges to students rise with increased tuition and fees the increases in this component will become much higher. (See Projections to Academic Year 1974-1975 for additional discussion).

The twelve million dollars spent on operations and maintenance of plant represents only 4.1% of the book value of the buildings and land of the independent institutions. The marginal nature of this activity is underlined by the reported 20 million dollars in deferred maintenance. Many of the independent institutions simply have insufficient funds to adequately finance this activity.

INCOME

Tuition and fees account for 47.6% of the total annual income (including auxiliary enterprises) of the independent institutions. Despite recent increases in tuition charges they have been unable to keep pace with operating costs. Average tuition for academic year 1969-70 for the thirty independent colleges was $1,356 with the lowest reported as $510 and the highest $2,250.

TABLE V

	TUITION	ROOM	BOARD
Lowest	$ 510	$ 200	$ 390
Average	$1356	$ 348	$ 517
Highest	$2250	$ 700	$ 700

Tuition, Room and Board Charges For
Academic Year 1969/1970

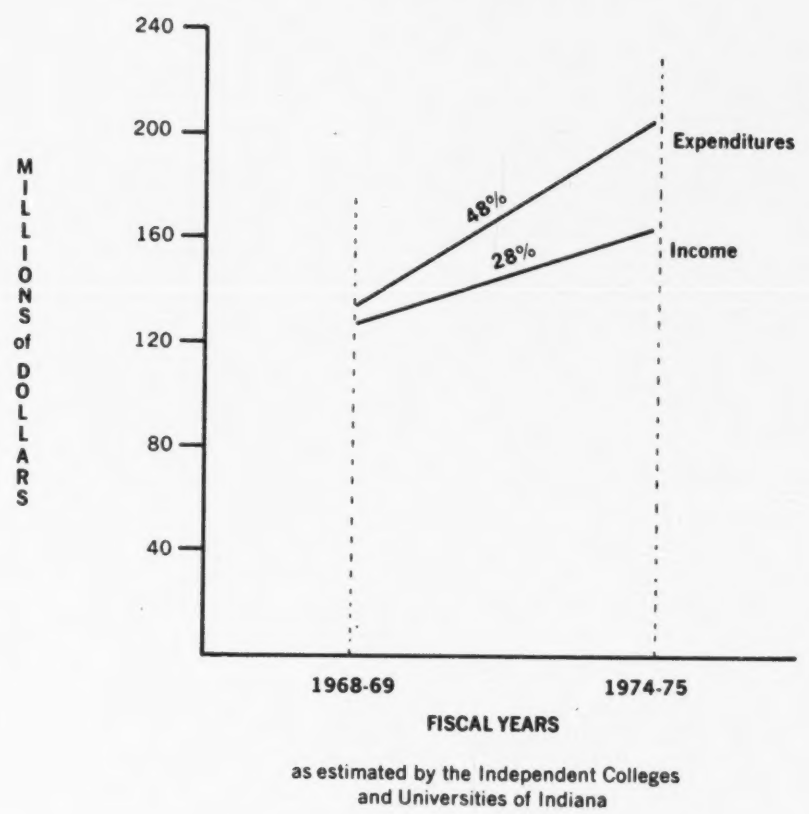
Endowment income and income from gifts and grants from private sources account for about 20% of the income of the independent institutions. Growth in these sources is slow and lags far behind increases in cost of operations.

SUMMARY OF ECONOMIC SITUATION

Analysis of the current operating status of the independent institutions clearly indicates a financial problem of considerable magnitude. Although the aggregate operating deficit for

1968-1969 is relatively small in comparison to total expenditures, and would be reasonably easy to solve under normal circumstances, this is not the case; the traditional sources of income --- tuition, fees, private gifts and grants, and endowment income are increasing at only half the rate of the costs of operation. (See Chart V).

CHART V
PROJECTED RATES OF INCREASE
ANNUAL INCOME AND EXPENDITURES



as estimated by the Independent Colleges and Universities of Indiana

The rate of increase of private gifts and grants and of endowment income cannot be materially improved. Fees charged for the services of food, housing, etc. must neces-

sarily be increased in direct relationship to the actual costs involved. As charges for these services are increased a comparable increase in the need for student aid can be expected. Tuition increases, on average, for the independent institutions are predicted to be in the order of 46% by academic year 1974-1975. This increase appears to be the maximum practicable and still continue to maintain enrollments. Since these traditional means of providing income appear incapable of meeting the needs, it is obvious that new ways and means must be found to assist in financing the independent institutions.

PROJECTIONS TO 1974-1975

This section projects a profile of what the independent colleges and universities of Indiana expect their status will be as of 1974-1975; it is developed in order to provide a picture of the expected short-term changes in the resources and financial condition of the independent institutions. The data upon which these projections have been made were provided

TABLE VI

Comparative Statement Of Income And Expense

(Fiscal Year 1968-1969 to 1974-1975)

ITEM	1968-1969	1974-1975
INCOME		
TUITION	$62,000,000	$83,000,000
ENDOWMENT	4,000,000	5,000,000
GIFTS AND GRANTS	22,000,000	28,000,000
AUXILIARY ENTERPRISES	35,000,000	41,000,000
OTHER	7,000,000	9,000,000
TOTAL	$130,000,000	$166,000,000
EXPENSE		
GENERAL EDUCATION	$74,000,000	$108,000,000
DEVELOPMENT	3,000,000	4,000,000
OPERATION & MAINT OF PLANT	12,000,000	20,000,000
AUXILIARY ENTERPRISES	31,000,000	45,000,000
STUDENT AID	9,000,000	24,000,000
OTHER	3,000,000	4,000,000
TOTAL	$132,000,000	$205,000,000
DEFICIT	$2,000,000	$39,000,000

As Estimated By The Independent Colleges

And Universities of Indiana

by the thirty colleges and universities reporting, and were based upon current plans and known and approved projects and programs.

An abbreviated income and expense statement (Table VI) compares 1968-1969 with 1974-1975. While income is expected to increase by about 28% over the period, the cost of operation is expected to increase by about 48%. This widening margin between income and expense results in a projected deficit for the private institutions of Indiana in five years of 39 million dollars.

Despite the fact that enrollments will increase and charges for tuition, room and board will increase (Table VII) they will not be able to keep pace with the more rapidly increasing costs of operation. The major components of these increases in cost of operation are student aid, operation and maintenance of plant, general education, and auxiliary enterprises.

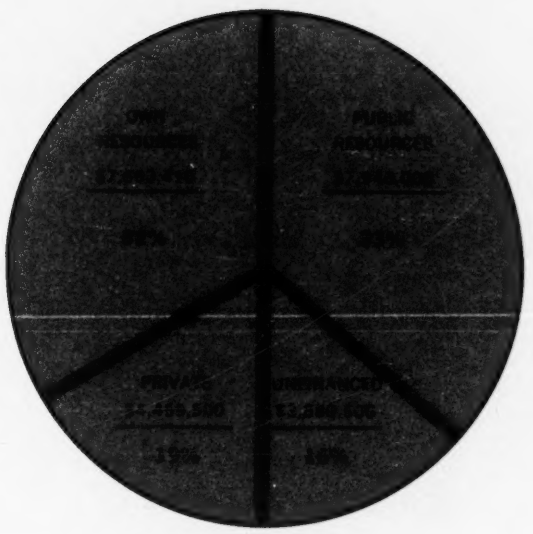
It is expected that the minimum annual financial assistance requirements for undergraduate students by 1974-1975 will be $24,000,000. (This includes needs not only for tuition assistance but for all costs of education such as room, board, laboratory fees, books, etc.). The private institutions hope to meet these needs as shown in Chart VI; this assumes the continuation of a State Scholarship Program at its present minimal level; the ability of the private institutions to meet growing student financial aid needs from their own limited resources without endangering their solvency, and

finally, a continuation of the present "mix" of students as far as need is concerned (Note that financial needs would be considerably increased if more needy Indiana students were recruited).

CHART VI

Sources of Student Aid

1974-1975



As Estimated By The Independent Colleges And Universities of Indiana

Estimates by the independent institutions indicate that of the projected need for financial assistance to students, almost $8,000,000 depends on continuing State and Federal support, $8,000,000 must come from overtaxed school resources,

and there still remains almost $4,000,000 for which there is no known source.

Nearly 8,000 student spaces remained unfilled in the independent colleges and universities of Indiana at the start of academic year 1969-1970. This represents 14% of their current capacity of 58,680 and could have been filled by Indiana residents. These institutions plan additions to facilities by academic year 1974-1975 that will increase their student capacity by 8,535 students, bringing their total capacity to 67,215. By academic year 1974-1975 the independent institutions will have the capacity to accommodate 16,533 more students than were enrolled at the start of the 1969-1970 academic year. Of this at least 12,000 spaces would be made available to Indiana students if appropriate financial assistance could be found; this would provide a total of 31,000 spaces for undergraduate Indiana students.

The cost of operation and maintenance of plant for the thirty institutions reporting is expected to spiral upwards dramatically in the next five years. In the last fiscal year they spent almost $12,000,000 for this item, and at the same time reported a deferred maintenance backlog of about $20,000,000. Due to increasing costs and rapidly deteriorating plant, these institutions are projecting an increase in costs of operation and maintenance of plant of about 68% by 1974-1975, or an increase of more than $8,000,000.

To provide for the added instructional load the independent colleges and universities of Indiana plan a net addition to

their teaching faculty of 402 staff members of various academic ranks. To meet competition and to stay abreast of inflationary trends it is expected that faculty salaries, on average, will have increased by 32% over 1969-1970 salaries by the start of academic year 1974-1975, and the total general educational cost by 46%.

Because of cost pressures it is expected that large increases in tuition, room and board will have occurred by 1974-1975. The planned highest, lowest and average charges for each of these items is tabulated in Table VII.

TABLE VII
Projected Student Costs
1974-1975

	TUITION	ROOM	BOARD
Lowest	$1300.00	$ 340.00	$ 500.00
Average	$1976.00	$ 472.00	$ 674.00
Highest	$3200.00	$ 800.00	$ 850.00

As Estimated By The Independent Colleges
And Universities of Indiana

The private institutions have programmed major additions to their capital resources. By 1974-1975 they expect to have completed new construction and major repairs and improvements amounting to $117,545,400 for academic facilities, and $38,593,800 for auxiliary enterprises. Important additions

and improvements are programmed for library facilities as shown on Table VIII.

TABLE VIII
Library Improvements by 1974-1975

Volumes To Be Added	720,000
Library Space To Be Added	501,180 sq.ft.
Additional Staff	67

Library Improvements Planned To Be Added By Academic Year 1974-1975

The independent colleges and universities will be, in general, in serious financial difficulty by 1974-1975. By that time they will be short of funds to provide for projected student aid needs, they will be unable to adequately compensate their faculty, and they will have insufficient funds to properly maintain their physical plant. Despite these facts they will have continued to add to their resources and to have materially increased their ability to educate Indiana residents.

INDIANA COORDINATING COUNCIL FOR HIGHER EDUCATION

Each of the independent colleges and universities was asked to comment concerning the establishment of a "Coordinating Council".* The question suggested that such a council might be charged with the responsibility for coordinating all post-high-school education, including both public and private, in the State of Indiana. Each institution was asked to comment specifically upon its willingness to cooperate with such an organization, and further, to state what specific purposes and functions it might serve.

The Independent Colleges and Universities of Indiana support the concept of a "Coordinating Council". The following report represents the consensus of these institutions concerning the function of a State-wide "Coordinating Council".

Voluntary cooperation between the private and public sectors of higher education in Indiana has been, in the past, excellent. However, we can expect the pressures of the future to make such cooperation increasingly difficult. The people of Indiana can no longer afford haphazard development of higher education; it has become far too precious and costly to leave largely unplanned and uncoordinated. The early

*The original questionnaire used the term "Regents", which has since been changed to "Coordinating Council". It is felt that this latter term is more descriptive of the functions that are proposed for this organization.

establishment of an organization embracing all of the public and private colleges and universities, which would insure comprehensive planning of educational programs beyond the high school level and effective cooperation between these institutions is essential.

In considering any such organization it must be kept in mind that Indiana's dual system of education is one of its great strengths, and that no action should be taken that would dilute or destroy it. The Coordinating Council should be free of partisan politics and should bring to bear the best available judgment on educational alternatives. Its objective should be the development of the special strengths of each of the colleges and universities which comprise the dual system, a system which is both characteristic and necessary to the future of America's pluralistic society, and which, without the efforts of a "Coordinating Council" might be in danger of extinction in the decades ahead.

The key to placing the functions of a "Coordinating Council" in proper perspective is the word --- "Coordination". Coordination is herein defined in its strictest sense. In no way should a "Coordinating Council" be allowed to dictate or regulate the policies of a given institution, private or public; nor should there be any trend towards the merger of the elements of the dual system. Diversity in higher education is essential to the vitality of the entire enterprise. Any structure which stamps all higher education with a sameness, precluding diversity, should be avoided.

Within this frame of reference a "Coordinating Council" could:

1. Recommend the initiation of new educational programs and the development of new campuses.
2. Conduct studies and make analyses, and from these develop policy recommendations to the State Government concerning post-high-school education and training.
3. Speak for higher education in general, rather than in fragmented parts, thereby providing for the articulation of education with the general public, with the State Government, and with other State organizations.
4. Administer the granting of charters for educational institutions and coordinate standardizing and accrediting services in the State.
5. Provide for appraisal of requests for funds, and for making recommendations on the allocation of State funds toward the provision of appropriate assistance to individual students, to independent colleges and universities, and to the publicly-supported institutions.
6. Plan the utilization of facilities and resources of all institutions of higher education in order to curtail wasteful

competition, avoid undue duplication, and provide for the orderly distribution of future developments, expansion and resources.

7. Develop programs for equitable distribution of the student population among all institutions of higher education in order that each may more effectively develop its ultimate capacity for participation in the State-wide higher education system.

8. Provide for the assignment and distribution of opportunities, facilities and specified services for liberal, professional, vocational or technical education and training.

9. Be funded, have greater power, wider jurisdiction, and more influence than the Indiana Conference of Higher Education.

10. Institute a program of seminars, workshops, and meetings to sponsor greater communication and understanding among all of those concerned with higher education in Indiana.

CONCLUSIONS AND RECOMMENDATIONS

The educational opportunity now available to the young men and women of Indiana through the resources of the independent colleges and universities is in jeopardy of being lost to the people of the State. These institutions are today, in general, unable to balance their budgets and are operating under deficit financing. Projections indicate that this situation will continue to worsen and will be magnified by 20-fold five years from now. Under these conditions, and without new sources of income, there is little doubt that some of these institutions may be forced out of existence within this period.

The financial plight of the independent institutions is more serious than a cursory look at their balance sheets would indicate. The salaries they pay to their faculty and administrators are well below those of the State institutions. There is a growing backlog of deferred maintenance. Libraries and laboratories are inadequately funded. Their administrative staffs are underpaid and undermanned. A continuation of these trends will lead inexorably to the loss of this resource to the people of the State of Indiana.

This educational opportunity that is threatened represents a 36,000-student university. If the State cannot adequately make use of this resource, then the people of the State will inevitably have to finance such an institution. Under present economic conditions this would require a capital

expenditure of close to half a billion dollars, and an addition to current operating budgets of 75 million dollars annually. It is clearly in the best interests of the people of Indiana to take full advantage of the facilities and resources of the independent institutions as an alternative to the continued extension of State institutions.

It is, however, essential to preserve and strengthen the dual system of higher education in Indiana, both independent and publicly-supported. This will require strength in both sectors if both - in partnership - are to successfully meet the needs and problems of the future. The range of educational opportunities available to students in Indiana must be preserved and extended, along with the freedom of each student to choose the institution which he wishes to attend. Diversity of institutional scholarship, objectives, programs, environment and size is the major element in insuring each student a freedom of choice.

Every capable Indiana student, irrespective of financial status, should be afforded the opportunity of higher education. Further, this opportunity must not be subject to the uniformity and standardization which results from large size and centralization. Indiana students should be afforded the opportunities of diversification, competition of ideas, and varying environment.

The Independent Colleges and Universities of Indiana make the following recommendations:

1. <u>THERE SHOULD BE ESTABLISHED IN THE STATE OF INDIANA A COORDINATING COUNCIL FOR HIGHER EDUCATION</u>.

The haphazard development of higher education in Indiana can no longer be tolerated by the people of the State. The lack of planning and the resulting duplication of effort lead only to rising costs, administrative excesses, and a general weakening of the educational program. The suggested Coordinating Council could take full advantage of the educational resources of the State of Indiana, control the rising costs of higher education, avoid unnecessary duplication, and provide for a logical growth in the future. Such an organization could assist in insuring that there is evolved within the State a system of higher education that provides for variety, diversity and freedom of choice. It could assist in preventing the development of a system of higher education that might become a monolithic, undifferentiated mass, capable of excelling in nothing.

The composition of the "Coordinating Council" should be given careful consideration; its members being individuals with proven competence in the field of higher education in the State of Indiana. Membership should be drawn from both the public and private sector in such proportions that neither could dominate. Finally, appointments ought to be made without partisan political concern.

2. <u>THE EXISTING STATE SCHOLARSHIP PROGRAM SHOULD BE SUBSTANTIALLY INCREASED</u>:

A. TO PROVIDE A MAXIMUM STIPEND TO THE INDIVIDUAL STUDENT EQUAL TO NOT MORE THAN THE TUITION OF THE COLLEGE OF HIS CHOICE.

B. TO MAKE SUCH SCHOLARSHIPS AVAILABLE TO ALL INDIANA RESIDENTS ADMISSIBLE TO ACCREDITED COLLEGES AND UNIVERSITIES WITHIN THE STATE BASED ONLY UPON FINANCIAL NEED.

Every prospective college student in the State of Indiana, regardless of his need, should have the opportunity of attending the institution of his choice. An expanded State Scholarship Program, available to every student admissible to any college or university in the State, and based only on financial need, would make this possible. The present scholarship system has been, within the limits of its funding, eminently successful in providing educational opportunities to needy students. In the four years of its operation it has been over-subscribed many times. Major increases in the individual amounts awarded and in the total amount funded are essential to the continued expansion of the educational opportunity to the students of Indiana.

It seems essential that this educational opportunity be provided the young men and women of Indiana on a basis of complete freedom of choice. At the present time the State of Indiana discriminates against those Indiana residents electing to go to non-public institutions by the amount of the subsidy that the State provides over and above the tuition fees it charges at State institutions. At the present time,

this subsidy amounts to between $1500-$2000 per undergraduate per year. The maximum amount of the scholarship grant should be equal to this State sudsidy, but the upper limit of the grant should not exceed the tuition charged at the institution selected by the student receiving the scholarship.

3. THE STATE OF INDIANA ENTER INTO CONTRACTUAL ARRANGEMENTS WITH THE INDEPENDENT COLLEGES AND UNIVERSITIES OF THE STATE FOR THE EDUCATION OF INDIANA STUDENTS.

This proposal calls for the State of Indiana to contract with the independent colleges and universities of Indiana for educational services rendered. The measure of the product produced under these contracts would be the type and number of degrees conferred on Indiana students. (See Appendix E which contains a cost analysis concerning this recommendation).

To the extent that the independent institutions provide higher education for Indiana residents, they are providing a public service to the people of the State. Over the past 150 years these institutions have provided this service on a gratis basis. The withering of traditional sources of income in relation to the increasing costs of operation now make this situation untenable. New ways and means must be found for the financing of the educational opportunity afforded Indiana students through our pluralistic system.

It has been made clear in this report that the value of the resources and assets of the independent colleges is too great for the people of the State to allow them to be lost.

It has also been demonstrated that the more subjective values of freedom, variety, and opportunity are absolutely essential to the viability of any system of higher education in Indiana. Therefore, it follows that it is in the public interest to insure the continuation and the strengthening of this effort.

As has been previously discussed, should it become necessary for the State of Indiana to accept the burden of educating those students who could be accommodated in the independent institutions it would cost at a minimum 500 million dollars in capital investment and 75 million dollars in annual operating costs. By contracting with the independent institutions for the production of degrees for Indiana students the people of the State would be obtaining an educational and economic bargain. For example, if we consider that the production of a baccalaureate degree costs the State $8,000 at a State institution and that the independent institutions grant 5,000 such degrees a year, and that they would be willing to enter into such a contract for 20% of the cost at a State institution, the contractual cost would be $8,000 x 5,000 students x 20%, or $8,000,000.

4. <u>EMPHASIS SHOULD BE PLACED ON THE FREEDOM OF ALL INSTITUTIONS OF HIGHER EDUCATION IN INDIANA TO SELECT THEIR OWN EDUCATIONAL PHILOSOPHY</u>.

In order to strengthen the higher education opportunity for the young men and women of Indiana they must be afforded the widest possible choice in programs consistent with their

background, capability and interest. To meet this objective all of the institutions of higher education in Indiana must be allowed to work towards the attainment of their stated educational philosophies rather than towards some uniform standard.

The Illinois Study clearly made this point in stating that: "Institutions should be judged by their attainment of appropriate educational objectives rather than by uniform standards. It is possible for a college which attracts students with only modest scholastic aptitude to attain excellence in meeting their needs. Yet a student of high ability would probably choose a college with a student body commensurate with his own level of aptitude and one with high scholastic standards. A 'good college for one student might be an 'inappropriate' institution for another."*

*Strengthening Private Higher Education in Illinois, The Commission to Study Non-Public Higher Education in Illinois (1969), Page 6.

APPENDIX A

STUDY OF ANNUAL ECONOMIC IMPACT

In order to obtain some idea of the annual economic contribution made by the independent colleges and universities to their communities, each was asked to apply the following formula* to their situation. The values shown below are a summation of the replies by the twenty-five institutions reporting.

I.	Annual operating budget times .85	$114,770,800
	Plus	
II.	Total number of fully enrolled students times $500	$ 21,645,180
	Plus	
III.	Average annual expenditure for capital additions and improvements (using a ten-year average)	$ 20,728,175
	Plus	
IV.	The number of visitors to the campus for workshops, conventions, conferences, commencement, theater productions, prospective students and parents times $5.00	$ 3,494,070
	Plus	
V.	The number of visits by representatives of national companies to the campus times $30	$ 1,519,465
	Plus	
VI.	The number of athletic program visitors times $5.00	$ 5,309,845
	Equals	
	Total dollar raw input	$167,467,535

Times

Multiplier effect of 3.0

Equals

Total annual economic activity created by the independent institutions	$502,402,605

*Adopted from a formula used by the University of Evansville in 1968.

APPENDIX B

R O S T E R

INDEPENDENT COLLEGES AND UNIVERSITIES OF INDIANA

Anderson College
Dr. Robert H. Reardon, President
Anderson, Indiana 46011

Bethel College
Dr. Ray P. Pannabecker, President
Mishawaka, Indiana 46544

Butler University
Dr. Alexander E. Jones, President
Indianapolis, Indiana 46208

Concordia Senior College
Dr. Martin J. Neeb, President
Fort Wayne, Indiana 46805

DePauw University
Dr. William E. Kerstetter, President
Greencastle, Indiana 46135

Earlham College
Dr. Landrum R. Bolling, President
Richmond, Indiana 47274

Fort Wayne Bible College
Dr. Jared F. Gerig, President
Fort Wayne, Indiana 46807

Franklin College of Indiana
Dr. Wesley N. Haines, President
Franklin, Indiana 46131

Goshen College
Dr. Paul E. Mininger, President
Goshen, Indiana 46526

Grace Theological Seminary
and Grace College
Dr. Herman A. Hoyt, President
Winona Lake, Indiana 46590

Hanover College
Dr. John E. Horner, President
Hanover, Indiana 47243

Huntington College
Dr. E. D. Baker, President
Huntington, Indiana 46750

Indiana Central College
Dr. I. Lynd Esch, President
Indianapolis, Indiana 46227

Indiana Institute of Technology
Dr. Edward A. Dugan, President
Fort Wayne, Indiana 46803

Manchester College
Dr. A. Blair Helman, President
North Manchester, Indiana 46962

Marian College
Dr. D. J. Guzzetta, President
Indianapolis, Indiana 46222

Marion College
Dr. Woodrow Goodman, President
Marion, Indiana 46952

Oakland City College
Dr. Ben M. Elrod, President
Oakland City, Indiana 47560

Rose Polytechnic Institute
Dr. John A. Logan, President
5500 Wabash Avenue
Terre Haute, Indiana 47803

St. Francis College
Sister M. Rosanna, President
Fort Wayne, Indiana 46800

St. Joseph's College (Calumet)
Rev. John M. Lefko, President
East Chicago, Indiana 46312

St. Joseph's College (Rensselaer)
Rev. Charles Banet, President
Rensselaer, Indiana 47978

St. Mary-of-the-Woods College
Sister Jeanne Knoerle, President
St. Mary-of-the-Woods, Indiana 47876

St. Mary's College
Rt. Rev. Msgr. John J. McGrath, President
Notre Dame, Indiana 46556

Saint Meinrad College
V. Rev. Hilary Ottensmeyer, President
St. Meinrad, Indiana 47577

Taylor University
Dr. Milo A. Rediger, President
Upland, Indiana 46989

Tri-State College
Dr. Richard M. Bateman, President
Angola, Indiana 46703

University of Evansville
Dr. Wallace B. Graves, President
Evansville, Indiana 47704

University of Notre Dame
Rev. Theodore M. Hesburgh, President
Notre Dame, Indiana 46556

Valparaiso University
Dr. Albert G. Huegli, President
Valparaiso, Indiana 46383

Wabash College
Dr. Thaddeus Seymour, President
Crawfordsville, Indiana 47933

APPENDIX C

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APPENDIX D

COST ANALYSIS

OF

RECOMMENDATION CONCERNING INCREASED

TUITION SCHOLARSHIPS*

ASSUMPTIONS:

1. The average undergraduate enrollment in all Indiana institutions of higher education for the two-year period 1971-1973 will be 145,000.
2. Of this number 55,000 will be enrolled in independent institutions and 90,000 in public institutions.
3. Of those enrolled in public institutions 84% will be Indiana residents (76,000).
4. Of those enrolled in the independent institutions 47% will be Indiana residents (26,000).
5. It is estimated that 50% of all Indiana students attending college have financial need in varying degrees.
6. The average need for scholarship assistance for a public institution enrollee will be $500 and for the independent institution enrollee $1,000.

*Note that this recommendation refers to needs for tuition alone and not to the total financial needs of students referred to previously.

DISCUSSION:

1. .50 x 76,000 = 38,000 Indiana students in public institutions requiring financial assistance.

2. .50 x 26,000 = 13,000 Indiana students in independent institutions requiring financial assistance.

3. 38,000 x $500 = $19,000,000 annual scholarship cost for students in public institutions.

4. 13,000 x $1,000 = $13,000,000 annual scholarship cost for students in independent institutions.

5. The annual scholarship cost will be $32,000,000 and the biennial cost $64,000,000.

APPENDIX E

COST ANALYSIS

OF

RECOMMENDATION CONCERNING EDUCATIONAL CONTRACTS

This proposal calls for the State of Indiana to contract with the independent colleges and universities of Indiana for educational services rendered. The measure of the product produced under these contracts would be the type and number of degrees conferred on Indiana students. Although exact cost data have not been available, we have estimated the costs per degree to be as shown on the following tables.

TABLE IX

COST OF PROPOSED CONTRACT PER DEGREE FOR

INDIANA RESIDENTS IN 1971-1973

Type of Degree	Estimated Public Cost per Degree 1971-1973	Proposed Contract for Degree at 20% of Public Costs
Associate	$ 3,000	$ 600
Baccalaureate	8,000	1,600
Masters	5,500	1,100
Doctors	25,000	5,000
Professional	30,000	6,000

TABLE X

ESTIMATED TOTAL COST

CONTRACT EDUCATION FOR INDIANA RESIDENTS

1971-1973

Type of Degree	Estimated Number of Degrees to be Awarded Each Year	Number of Degrees During Biennium	Total Cost
Associate	75	150	$ 90,000
Baccalaureate	5,000	10,000	16,000,000
Masters	1,000	2,000	2,200,000
Doctors	20	40	200,000
Professional	30	60	360,000
TOTAL	xxx	xxx	$18,850,000

Based upon the foregoing cost estimates and upon our estimates of the number of degrees to be granted by the independent colleges and universities of Indiana, it is expected that these contracts would cost from $18 to $19 million dollars during the 1971-1973 biennium.